Fiscal 2002 AgExport Forecast Remains Unchanged at $54.5 Bil

Imports Raised $1 Billion to $40 Billion

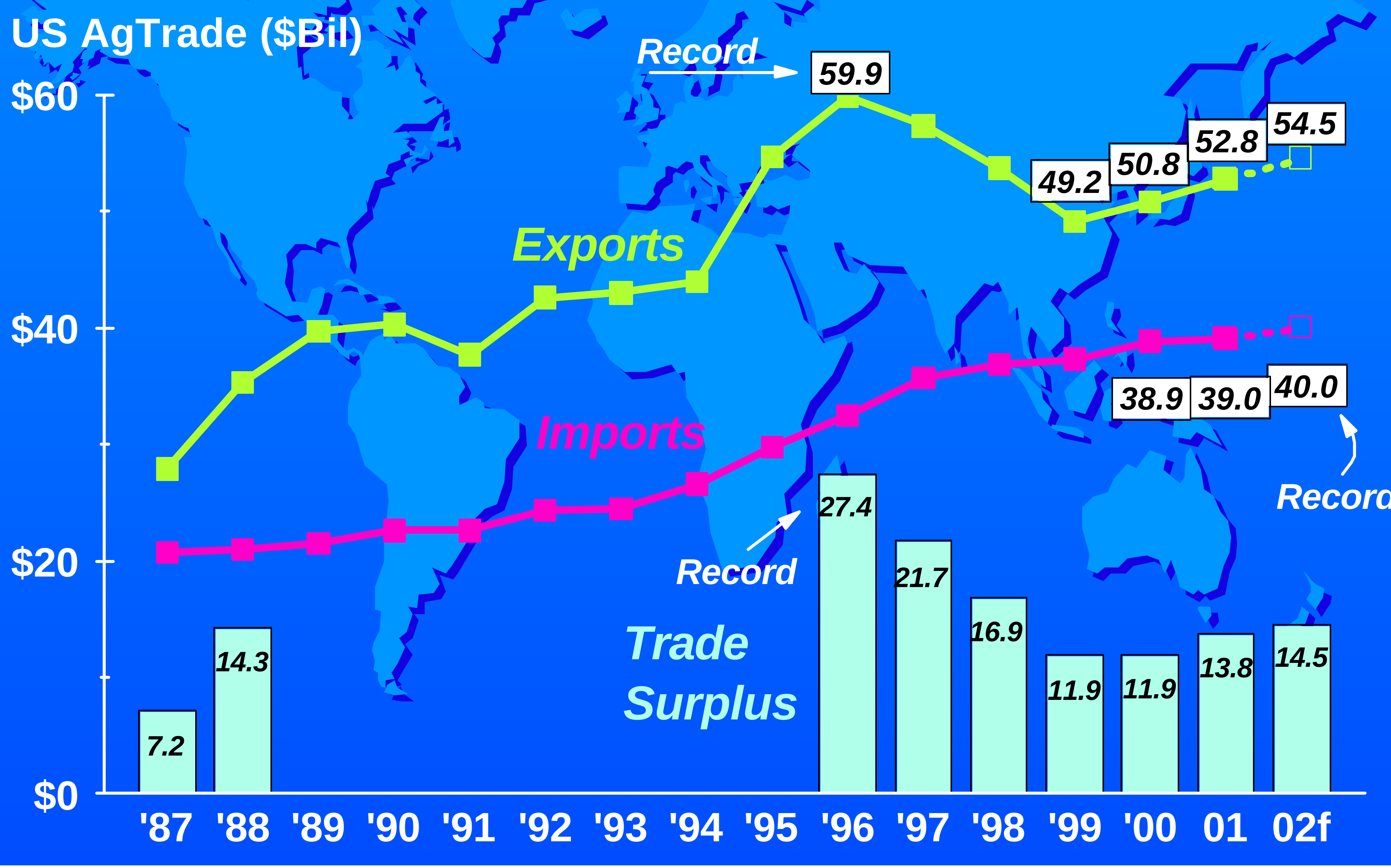
Quarterly Export Forecasts for US Agricultural, Fishery & Forest Products

USDA's "Outlook for US Agricultural Trade" was released on February 21, 2002

CMP/FAS/USDA

U.S. Agricultural Trade

Fiscal 2002 AgExports projected to reach $54.5 billion & the surplus is expected to total $14.5 billion -- export recovery expected to continue supported by year-to-year volume gains for many commodities.



Summary of Major Changes Since November in Fiscal 2002 Export Forecast

Wheat -- vol falls 1.9 mmt to 26.0 mmt; prices unchanged
Increased export competition from Black Sea region and Australia, and rebounds in Canadian and EU crops

Corn -- vol falls 2.0 mmt to 50 mmt; prices lower
Continued strong competition from Brazil and Eastern Europe

Soybeans -- vol rises 1.1 mmt to record 28.0 mmt; prices unchanged
Record US crop plus strong expansion in global oilseed demand (EU, SE Asia, Korea, Can/Mexico)

Bulk Commodity Volume -- falls 2.1 mmt to 116.9 mmt

Countries: EU raised $300 mil to $6.6 bil; Russia raised $300 mil to $$1.1 bil; Asia and Western Hemisphere reduced slightly to $21.0 bil and $20.1 bil, respectively

Note: Substantial revisions in 2002 grains and oilseed forecasts are still possible.

Export Outlook for Grain & Feed

Revised Forecast for 2002: ⬇ $1.1 Billion to $14.4 Billion

Revised FY 2002 Forecast

Key Upside Developments

- **Mexico and Japan sorghum imports up by 500,000 tons**

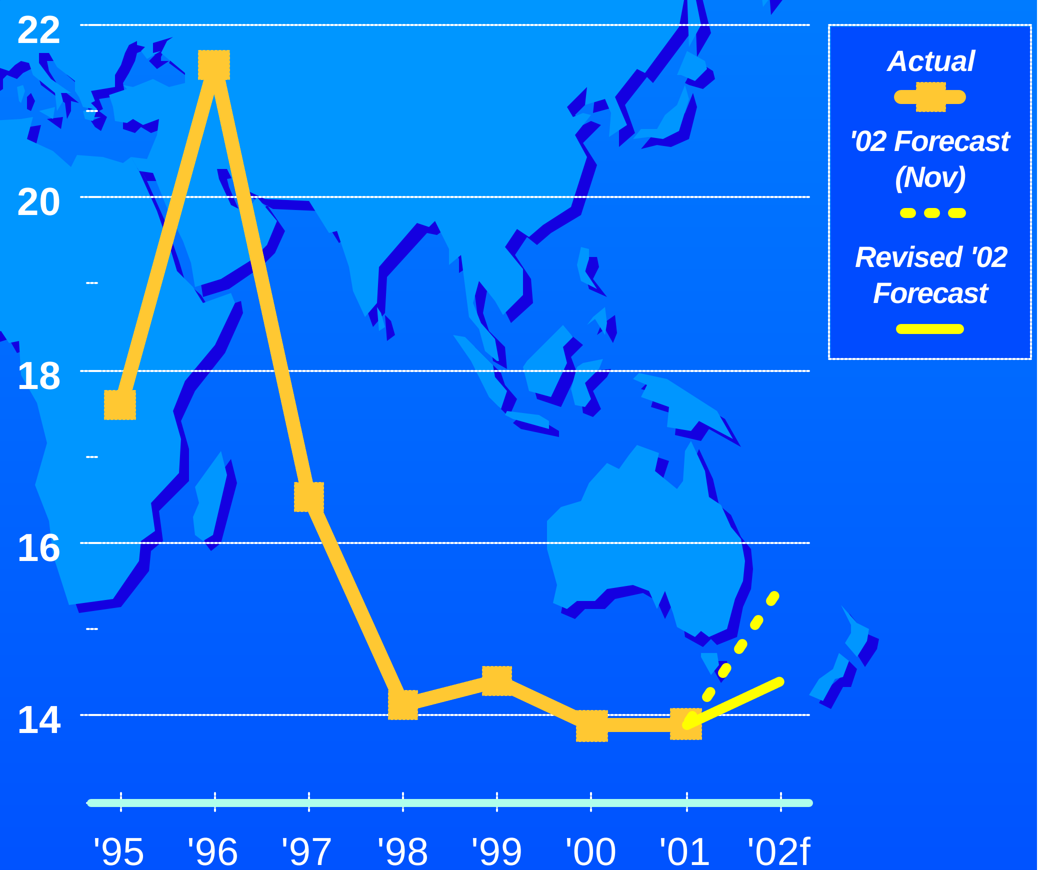
Key Downside Developments

- **Wheat exports lowered 1.9 MMT (despite reduced Argentina exports) due to stronger competition from Australia and the Black Sea region & rebounds in Canadian & EU crops**
- **Corn exports lowered 2 MMT because of increased competition from EEurope and Brazil**

Wild Cards

- **China's grain trade**
- **Argentina's financial troubles**

U.S. Grain & Feed Exports ($Bil)



Note: Includes corn gluten feed/meal

Export Outlook for Oilseeds & Products

Revised Forecast for 2002: ⇧ $400 Million to $9.2 Billion

Revised FY 2002 Forecast

Key Upside Developments

- Slow foreign supply growth & rising global demand increase US soybean exports 1.1 MMT to a record 28 MMT
- Soy meal exports at 7.2 MMT, 0.2 MMT above Nov
- Soy oil export unit value rises as oil stocks drop

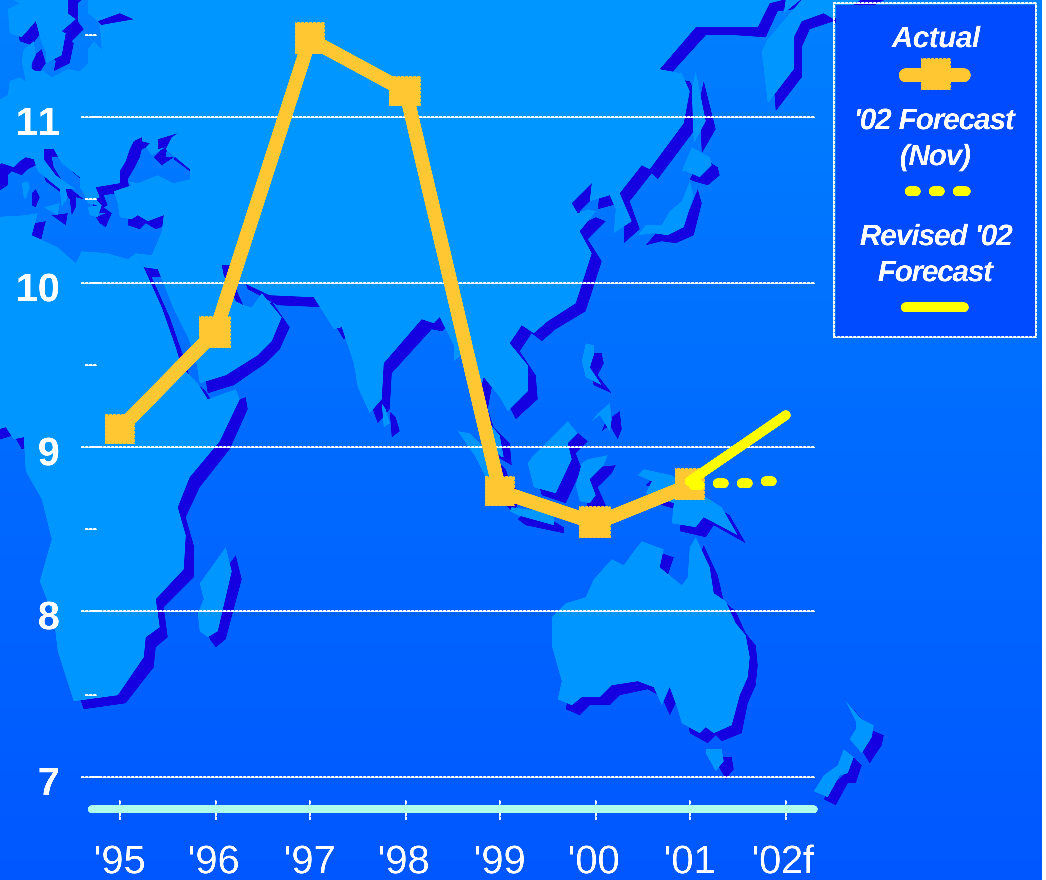
Key Downside Developments

- More S American production counteracts price impact of reduced US oilseed supply
- Growth in foreign soybean supplies curbs prices

Wild Cards

- South American exports
- Chinese and Indian imports

US. Oilseed & Prod Exports ($Bil)



Note: Excludes corn gluten feed/meal

Export Outlook for Cotton & Linters

Revised Forecast for 2002: ⇧ $100 Million to $2.2 Billion

Revised FY 2002 Forecast

Key Upside Developments

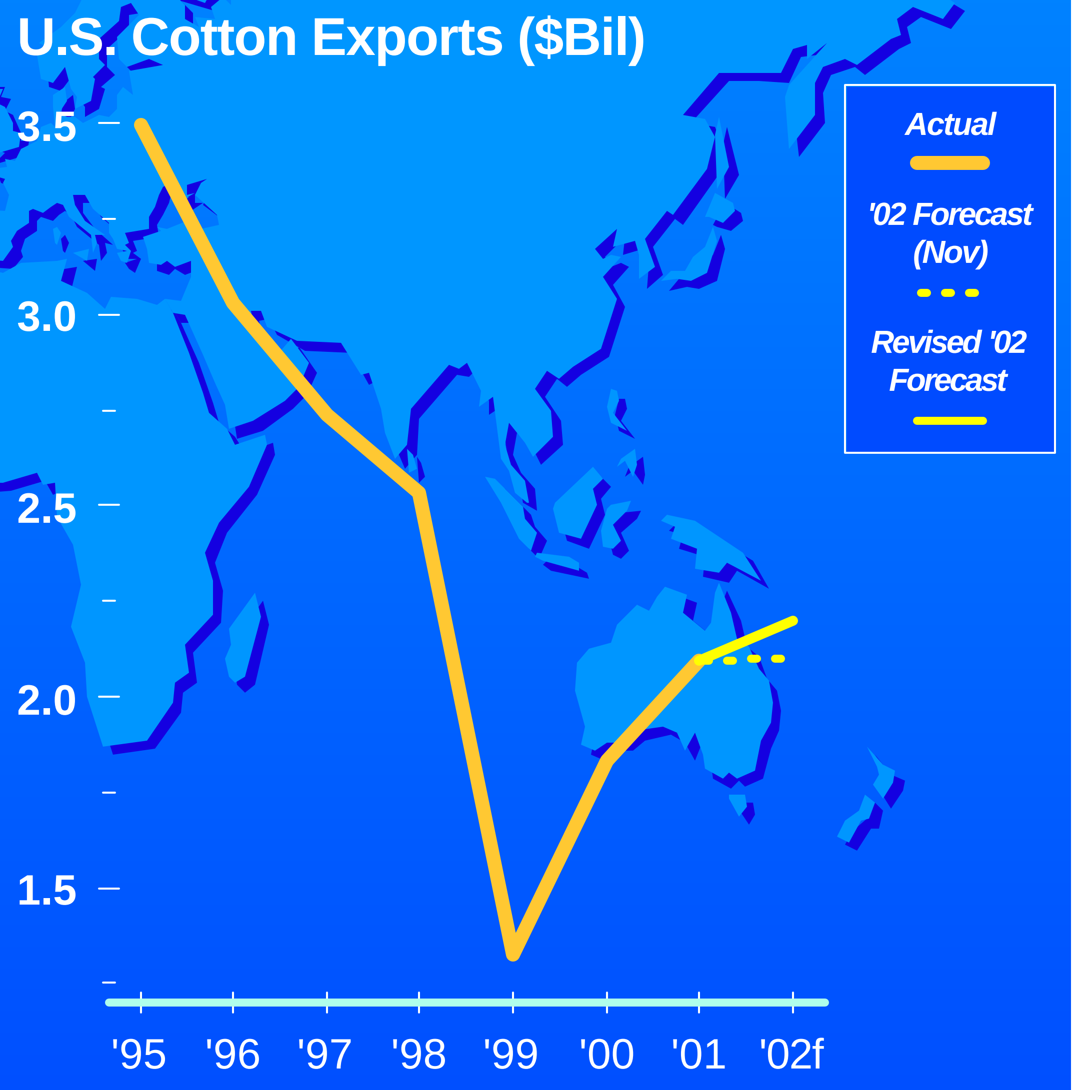
- Lack of recovery in the U.S. textile sector

Key Downside Developments

- China 2001 production increase

Wild Cards

- Continued weak price expectations could drive foreign stocks into the market
- China's production in 2002



Export Outlook for DL&P Products

Revised Forecast for 2002: ↑ $250 Million to $12.7 Billion

Revised FY 2002 Forecast

Key Upside Developments

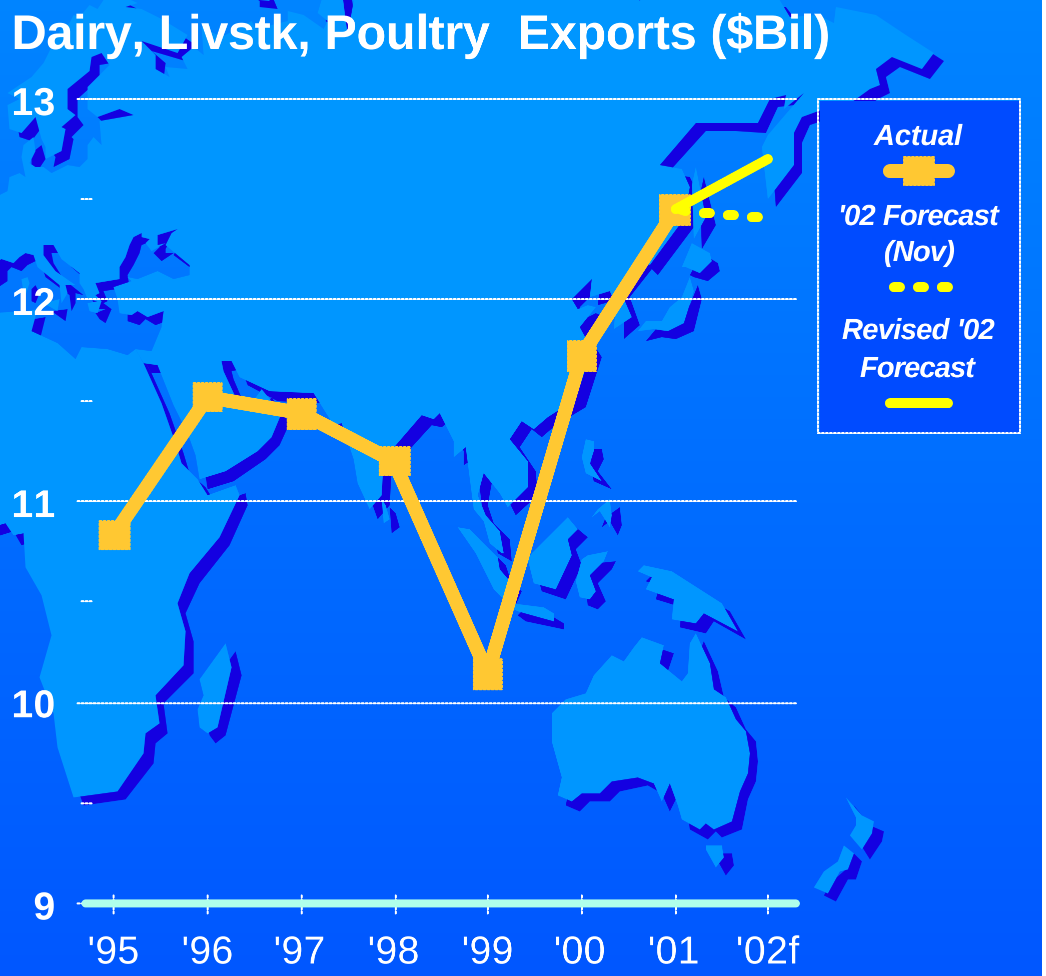
- Poultry sales remain robust
- Pork exports to Japan rise due to BSE concerns
- Hide exports benefit from increased sales to Korea & China

Key Downside Developments

- US beef sales to Japan struggle faced with price-competitive Australian product, price conscious buyers & reduced demand for beef (BSE concerns)
- Global economic slowdown

Wild Cards

- Heightened concerns over FMD, BSE, avian influenza
- Japan's next actions on pork safeguard measures



Export Outlook for Horticultural Products

Revised Forecast for 2002: Unchanged at $11.3 Billion

Revised FY 2002 Forecast

Key Upside Developments

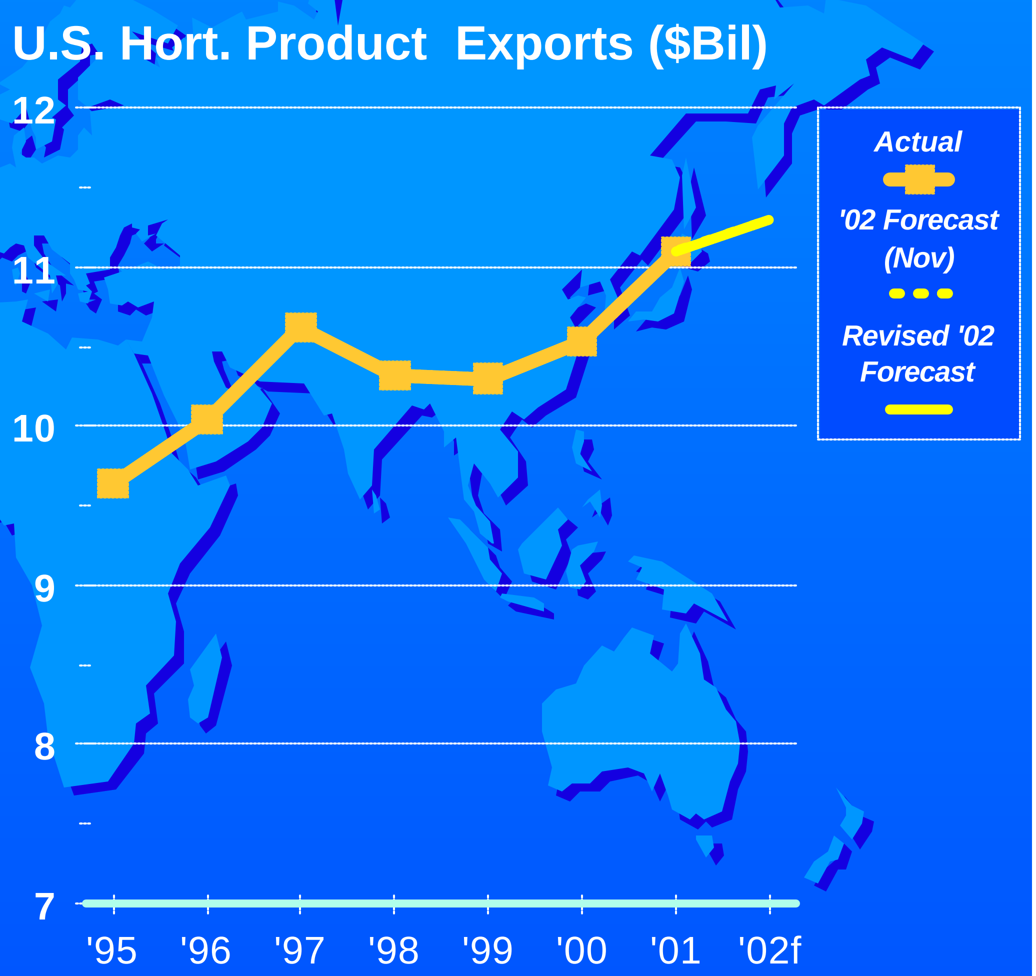
- Larger US almond and walnut crops boost tree nut exports
- Strength in citrus, table grape & cherry exports are expected contribute to modest growth

Key Downside Developments

- Large global wine supplies should lead to a decline in US export value
- Lower demand for a number of vegetables is expected to hold down growth
- Apples and pears are forecast to decline somewhat

Wild Cards

- Impact of weak global economy
- Crop situation



Export Outlook for Fishery Products

Unofficial Estimate

Revised Forecast for 2002: Steady at $3.1 Billion

Revised FY 2002 Forecast

Key Upside Developments

- Exports to two of the top three markets, Canada and EU, are up
- EU imports of canned salmon up 93% and pollock fillets up 673%

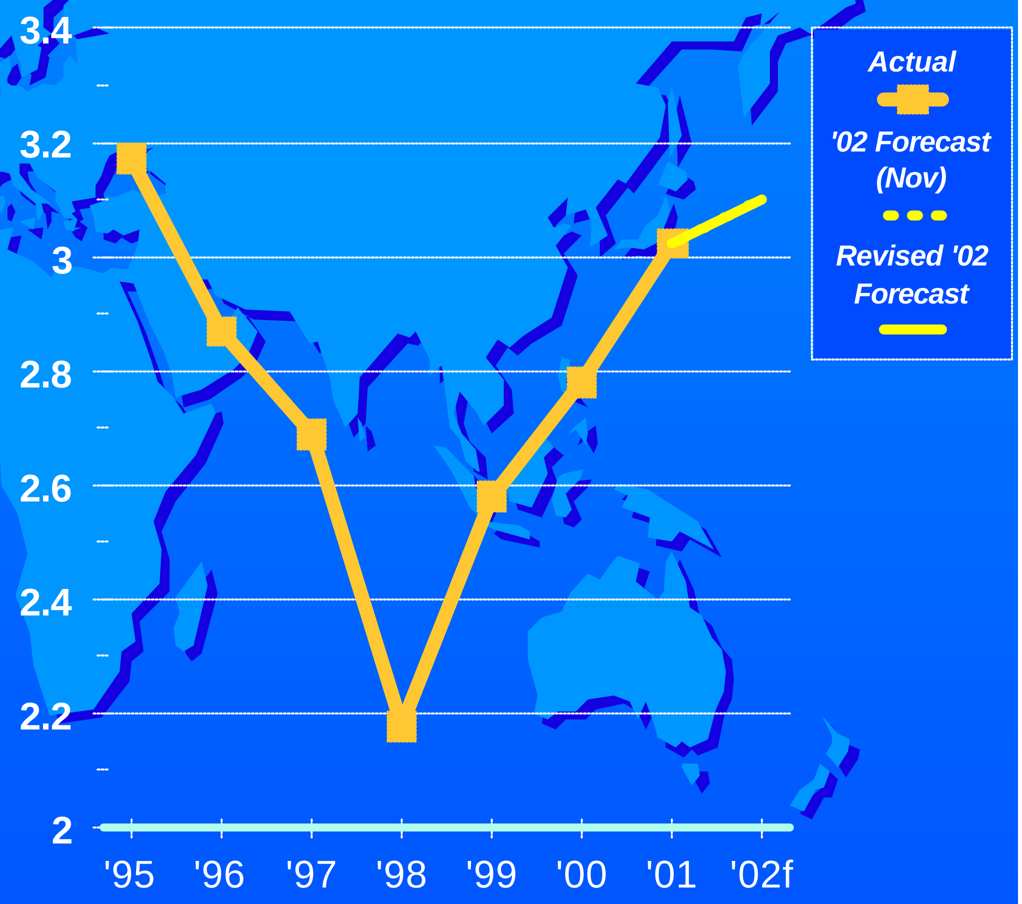
Key Downside Developments

- 2002 US salmon harvest is forecast 23% lower than 2001
- The end of the EU/Norway salmon price agreement this summer may reduce salmon prices

Wild Cards

- Uncertainty of US harvest for salmon, pollock & other species

U.S. Fishery Product Exports ($Bil)



Export Outlook for Solid Wood Products

Revised Forecast for 2002: ↓ $200 Million to $5.3 Billion

Unofficial Estimate

Revised FY 2002 Forecast

Key Upside Developments

- Hardwoods to China up $25 million on strength of furniture & flooring markets

Key Downside Developments

- Japan's housing regulations cause Douglas-fir logs to drop an extra $120 million in favor of kiln- dried lumber
- Softwoods to Canada decrease $50 million as US (re-export) and Japanese economies cool

Wild Cards

- Various scenarios of U.S. - Canada softwood lumber issue have US exports to Canada remaining unchanged, increasing, or decreasing

U.S. Forest Product Exports ($Bil)